
Office of the Inspector General

FY 2002 Proposed Operating Budget:

\$12,476,429

FY 2002 Proposed Capital Budget:

\$0

The mission of the Office of the Inspector General is to independently perform the following tasks:

1. Conduct and supervise audits, investigations, and inspections relating to the programs and operations of District government departments and agencies, including independent agencies.
2. Provide leadership; coordinate and recommend policies designed to promote economy, efficiency, and effectiveness; prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations.
3. Provide a means of keeping the Mayor, Council, and District government department and agency heads fully and currently informed about problems and deficiencies relating to the administration of programs and operations and the necessity for corrective actions.

Budget Summary

The FY 2002 proposed operating budget for the Office of the Inspector General (OIG) is \$12,476,429, a decrease of \$77,832, or 0.6 percent, from the FY 2001 approved budget (table AD0-1). There are 108 full-time equivalents (FTEs) supported by this budget, representing an increase of 3 FTEs over the FY 2001 approved level (table AD0-2).

Strategic Issues

- Increase the number of inspections and evaluations of District managers in accordance with defined performance criteria.
- Fully develop, implement, and strengthen the Medicaid Fraud Control Unit.

FY 2002 Initiative

The Office of the Inspector General will establish a new performance measure, which will measure the percentage of OIG recommendations implemented by District agencies.

Agency Background

Public Law 104-8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995, amended the Procurement Practices Act of 1985 and established an independent Office of the Inspector General. Under this statute, the Inspector General is appointed by the Mayor with the consultation of the District Council.

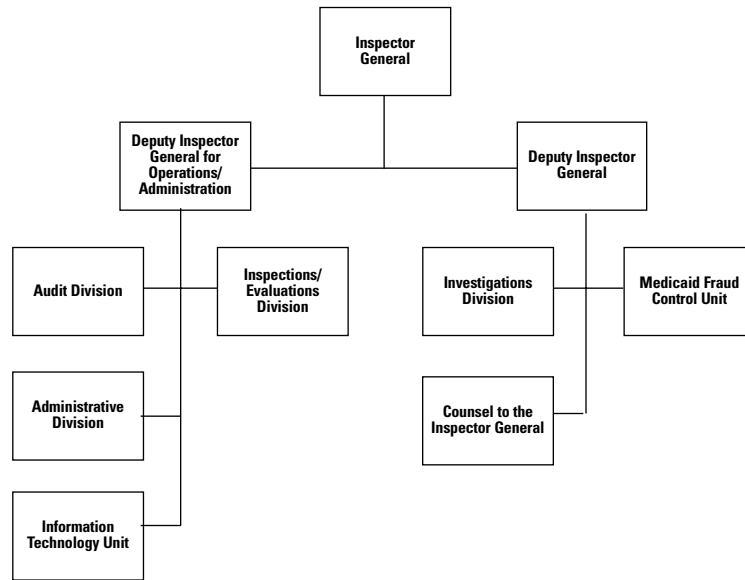
Programs

OIG accomplishes its mission through four programs: auditing, investigations, inspections and evaluations, and Medicaid Fraud.

The FY 2002 proposed operating budget is \$12,476,429, a increase of \$77,832, or 0.6 percent, over the FY 2001 approved budget.

Figure AD0-1

Office of the Inspector General



The **Audit** program conducts audits, reviews, and analysis of financial, operational, and programmatic functions.

The **Investigations** program conducts investigations of fraud and other misconduct by District government employees and contractors doing business with the District of Columbia.

The **Inspections and Evaluations** program conducts inspections and evaluations of District managers in accordance with defined performance criteria. Managers and programs will be evaluated and rated in terms of overall efficiency and effectiveness.

The **Medicaid Fraud** program is responsible for investigating and prosecuting Medicaid fraud, recovering monies due to false claims, and investigating patient abuse.

Figure AD0-1 displays the entities that make up the OIG.

Funding Summary

Local

The proposed local budget is \$11,263,109, a decrease of \$29,533, or less than one percent, from the FY 2001 approved budget. Of this net decrease, \$120,422 is an increase in personal ser-

vices and \$149,955 is a decrease in nonpersonal services. There are 92 full-time positions funded by local sources, an increase of 2 FTEs over FY 2001.

The increase in personal services is for increased staffing in the Inspector General's information technology unit. The net decrease in nonpersonal services is to align the agency's fixed costs with fixed cost estimates. Refer to the FY 2002 Operating Appendices (bound separately) for details.

Federal

The proposed federal budget is \$1,213,320, an increase of \$107,365, or 9.7 percent, over the FY 2001 approved budget. Of this increase, \$84,410 is in personal services and \$22,955 is in nonpersonal services. There are 16 full-time positions funded by federal sources, an increase of one FTE over FY 2001. The increase in federal funding represents an increase in funding for the Medicaid Fraud program.

Trend Data

Table AD0-3 shows the expenditure history for FY 1998–Proposed FY 2002.

Table AD0-1

FY 2002 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Office of the Inspector General

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2002
Regular Pay - Cont. Full Time	4,475	6,681	6,865	184
Regular Pay - Other	12	0	0	0
Additional Gross Pay	85	0	0	0
Fringe Benefits	568	901	922	21
<i>Subtotal Personal Services (PS)</i>	<i>5,140</i>	<i>7,581</i>	<i>7,786</i>	<i>205</i>
Supplies and Materials	67	89	96	8
Utilities	1	0	0	0
Communications	86	230	111	-119
Rentals - Land and Structures	390	749	684	-65
Security Services	0	0	10	10
Other Services and Charges	2,328	3,264	3,387	123
Contractual Services	300	0	0	0
Subsidies and Transfers	0	0	63	63
Equipment and Equipment Rental	422	486	341	-146
<i>Subtotal Nonpersonal Services (NPS)</i>	<i>3,595</i>	<i>4,817</i>	<i>4,690</i>	<i>(127)</i>
Total Proposed Operating Budget	8,735	12,399	12,476	78

Table AD0-3

FY 2002 Full-Time Equivalent Employment LevelsOffice of the Inspector General

	Actual FY 2000	Approved FY 2001	Proposed FY 2002	Change from FY 2001
Continuing full time	83	105	108	3
Total FTEs	83	105	108	3

Table AD0-3

FY 2002 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Office of the Inspector General

	Actual FY 1998	Actual FY 1999	Actual FY 2000	Approved FY 2001	Proposed FY 2002
Local	6,205	7,578	7,180	11,293	11,263
Federal	0	0	480	1,106	1,213
Other	0	0	916	0	0
Intra-District	0	0	158	0	0
Gross Funds	6,205	7,578	8,735	12,399	12,476

Agency Goals and Performance Measures**Goal 1. Promote economy, efficiency, and effectiveness and improve financial management.**

City-wide Strategic Priority Areas: Promoting economic development; Making government work

Manager: Cheryl Johnson, Deputy AIG for Audits

Supervisor: William J. DiVello, AIG for Audits

Performance Measure 1.1: Number of financial and performance audit reports produced on District programs and operations

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	25	13	16	18	20
Actual	24	16	—	—	—

Performance Measure 1.2: Number of management reports produced

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	15	17	19	21
Actual	4	15	—	—	—

Performance Measure 1.3: Savings due to audits (millions of \$)

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	30.0	35.0	40.0	42.0	42.0
Actual	28.4	34.0	—	—	—

Note: The agency expects monetary savings to begin to level off and even decrease as it continues to audit District agencies, due to greater efficiency and implementation of corrective actions.

Performance Measure 1.4: Number of District agencies covered

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	16	18	20
Actual	NA	14	—	—	—

Note: The agency believes this new measure more accurately reflects work performed and audit areas of emphasis than the previous measure of ongoing audits, which previously had targets and goals of 15 and 17 for FY 1999, and 19 and 12 for FY 2000.

Goal 2. Abate public corruption and fraud in District agencies.

City-wide Strategic Priority Areas: Promoting economic development; Making government work

Manager: Alfred Miller, Deputy AIG for

Investigations

Supervisor: David M. Bowie, AIG for Investigations

Performance Measure 2.1: Number of investigation matters received

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	340	690	600	640	660
Actual	670	580	—	—	—

Performance Measure 2.2: Number of investigations opened

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	160	280	170	175	180
Actual	227	193	—	—	—

Performance Measure 2.3: Number of investigations closed

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	120	200	172	180	185
Actual	188	169	—	—	—

Performance Measure 2.4: Number of matters referred

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	20	130	150	155	160
Actual	34	149	—	—	—

Performance Measure 2.5: Number of referrals closed

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	28	68	123	130	144
Actual	51	115	—	—	—

Performance Measure 2.6: Number of investigation reports prepared

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	20	60	90	95	100
Actual	26	87	—	—	—

Performance Measure 2.7: Number of management reports prepared, including Management Alert, Fraud Alert, and Management Information Reports

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	16	18	20
Actual	NA	14	—	—	—

Note: Management reports began in FY 2000.

Performance Measure 2.8: Number of hotline calls received

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	164	375	340	374	400
Actual	294	327	—	—	—

Goal 3. Promote economy, efficiency, and effectiveness and address high-priority issues.

City-wide Strategic Priority Areas: Promoting economic development; Making government work

Manager: Robert Isom, Deputy AIG for Inspections and Evaluations

Supervisor: Alvin Wright, Jr., AIG for Inspections and Evaluations

Performance Measure 3.1: Number of inspection reports prepared

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	0	4	6	10	12
Actual	0	4	—	—	—

Performance Measure 3.2: Number of management reports prepared

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	0	0	3	4	5
Actual	0	7	—	—	—

Performance Measure 3.3: Number of follow-up reports on agency compliance with Office of Inspector General recommendations prepared

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	4	10	12
Actual	NA	NA	—	—	—

Goal 4. Heighten integrity awareness and fraud deterrence.

City-wide Strategic Priority Areas: Promoting economic development; Making government work

Manager: Ilene Nathan, Deputy Director

Supervisor: Sidney Rocke, Director

Performance Measure 4.1: Number of unusual incidents addressed at nursing and group homes including incidents resulting in injury or illness to a ward or resident of a nursing home, community residence facility, or group home for persons with mental retardation

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	600	600	600
Actual	NA	362	—	—	—

Performance Measure 4.2: Number of fraud cases initiated

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	40	50	60
Actual	NA	20	—	—	—

Performance Measure 4.3: Amount of recovered funds including damages assessed, penalties imposed, and overpayments recouped (millions of \$)

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	0.5	1.5	2.5
Actual	NA	NA	—	—	—

Performance Measure 4.4: Number of division reports issued

	Fiscal Year				
	1999	2000	2001	2002	2003
Target	NA	NA	12	18	25
Actual	NA	3	—	—	—